

DATE 10 JAN

WASHINGTON POST

*HSCC**HRC*

# Congressmen to Be Told If Cleared in Park Probe

By Walter Pincus  
and Charles R. Babcock  
Washington Post Staff Writers

Attorney General Griffin B. Bell said yesterday that he plans to notify members of Congress who have been cleared in the South Korean influence-buying investigation on the basis of testimony from accused Korean agent Tongsun Park.

In an interview during a flight to Atlanta, Bell said the Justice Department would analyze the lie-detector-backed statements of Park in Seoul and then privately inform those members cleared that they would not be prosecuted.

But a member of the House investigating committee, who sat in on Park's questioning, said last night that there were "inconsistencies" between some of the Korean's statements and some House committee evidence that should be checked before such action is taken.

"I think it would be prudent for the Justice Department to review certain parts of his testimony with us before reaching any final conclusions," Rep. Bruce F. Caputo (R-N.Y.), said in a telephone interview from his New York office.

Caputo said he did not mean to imply that Park was lying. "I believe that most of what he said was the truth as best he could recall it," he said. "But some of the things he said seemed inconsistent with my understanding of the committee evidence."

He said he would suggest ways the continuing Justice Department interrogation in Seoul could check the inconsistencies.

The practice of notifying persons who have been under investigation that indictments will not be sought is not unusual.

But Bell's statement yesterday seemed to underline the sensitivity with which the Carter administration views the investigation of Korean in-

fluence-buying in Congress during this election year.

The Justice Department and congressional investigations have been referred to at times—usually by Republican politicians—as the Democratic Watergate, because most of the allegations have been about Democratic members.

Bell noted during the interview that President Carter asked him yesterday when the Korean investigations would be wrapped up.

Peter A. White, deputy special counsel for the parallel House investigation, said yesterday, however, that "from our standpoint, any clearing of names would be premature" because House investigators had not talked to Park or several other key witnesses.

"The Justice Department can do what it likes," White added. "We are not yet in a position to say our investigation is complete and we can exculpate anyone."

Bell made the comments as his top adviser on criminal investigations, Assistant Attorney General Benjamin R. Civiletti, was returning to Washington after questioning Park about alleged payments to members of Congress.

Civiletti said yesterday before leaving Seoul that no indictments of current members of Congress are likely.

In a telephone interview Friday from Seoul, though, he declined to say whether Park's testimony had cleared any members. "We're [prosecutors] in the business of issuing charges, not green passes. We're not the board of health," he said.

In suggesting yesterday that no prosecutions of sitting members are likely, Civiletti observed that most of Park's activities in Washington took place between four and 10 years ago.

That seemed to indicate that some potential criminal violations had occurred more than five years ago and thus were beyond the statute of limitations for indicatable offenses.

There have been reports from Seoul that Park described payments totaling more than \$750,000 to several former members of Congress.

Civiletti said there were a "handful" of potential cases that could be developed from Park's testimony against former members. "It is important to have those cases brought, and it appears that his testimony is essential for those cases," he said.

Bell's comments during the flight seemed to indicate that the Justice Department's investigation will end with the analysis of Park's testimony. He said that cases on individuals where questions still remained would be referred to the House Committee on Standards of Official Conduct, which is conducting the parallel investigation.

House investigators have made it clear that they are seeking evidence from several Korean diplomats, as well as from Park.

NEW YORK TIMES

DATE 18 JAZ 78 PAGE 9

# Indictment of Legislat<sup>rance Fades but Hope Persis</sup>

By NICHOLAS M. HORROCK  
Special to The New York Times

SEOUL, South Korea, Wednesday, Jan. 18—Benjamin R. Civiletti, Acting Deputy Attorney General, said yesterday that the testimony of Tongsun Park was unlikely to result in the indictment of any present members of Congress but that it was "essential" in the prosecution of former officials and private individuals.

In an unusual statement for a prosecutor during a criminal investigation, Mr. Civiletti said it would be correct to draw the "inference" from his remarks that nothing Mr. Park has said in three days of interrogation would result in indictments of present members of Congress.

But he c  
ment's agre  
conspiracy  
Korean busi  
tion with hi  
forts in Wa  
his immunit  
crimes, in t  
Mr. Civilett  
necessary be  
mony would  
the departn  
against a for  
rean-America

Ott  
Mr. Civilet  
has also impl



## Mr. Jaworski's Complaints

THE JUSTICE DEPARTMENT made, we suppose, the best deal it could to obtain the testimony of Tongsun Park, the South Korean rice trader indicted for buying influence in Congress. In exchange for his "truthful" testimony and "full cooperation" at a deposition in Seoul and at subsequent trials here, as determined solely by Justice, the department offered him immunity from prosecution. Sure, it would have been preferable to question him out of Korean government hearing, and to take testimony as well from current Korean officials, including the two past ambassadors to Washington and the former director of the Korean CIA. But Justice did manage to move the stalled influence-buying inquiry off the dime.

Leon Jaworski, special counsel to the House ethics committee, protests that Justice did not get Mr. Park to testify before a grand jury (that is, out of Korean government hearing). True. He's unhappy that Mr. Park is not required to answer questions about present Korean officials. True, but we note a promising loophole: This ban does not apply if the involvement of the officials occurred in the United States or in the presence of American officials. Mr. Jaworski also criticizes the Justice Department for suggesting that the Congress content itself with a transcript of the Seoul deposition. True, but the Justice-Tongsun Park agreement will bring the Korean to this country, where it will be possible—with his agreement, his attorney says—for Congress to take his testimony.

It has to be kept in mind that Justice and Congress have very different aims. Justice wants to make criminal cases. Congress and its members want, or so we still presume, to demonstrate that they are as vigilant in policing—and disciplining—their members as they are in overseeing the executive branch. To do this they must see not only that no member broke a law but also that no member violated Congress's own ethical standards. They must demonstrate, in the end, a willingness to bring their own members to book for violations of the rules, and for censure or even expulsion if such punishment is warranted. There may be only a "handful" of fresh indictments (and none of sitting congressmen), the Justice Department now says. But Rep. Bruce Caputo (R-N.Y.), who sat in on the opening sessions of the Park deposition, says that "dozens and dozens" of congressmen were touched in some way by the influence-buying scandal.

This is the monkey on Congress's back. It is a diplomatically embarrassing fact, but a fact no less, that Congress can't get rid of that monkey unless Seoul cooperates. Congress has the power—in its direct control over aid funds and its indirect control over the whole climate in which Korean-American relations are conducted—to bargain for further testimony by other Koreans, even by present officials, if that proves necessary. We read Mr. Jaworski's complaints not so much as an attack on the Justice Department as a signal to South Korea that it can't get away merely by producing Tongsun Park.

NEW YORK TIMES

DATE 180AnPAGE 1

## Experts Dispute Administration, Doubt World Oil Shortage in '80's

*The following article is based on reporting by Anthony J. Parisi and Steven Rattner and was written by Mr. Parisi.*

Many energy experts are beginning to challenge the Carter Administration's assertion that the world faces a severe shortage of oil in the 1980's. These experts contend that oil supplies, currently in abundance, may remain adequate at least through 1990, thereby reducing the likelihood of another extraordinary jump in prices.

Oil analysts with this view make up an impressive cross section of non-Government energy experts. They include knowledgeable forecasters in and out of the oil industry itself, and all are highly respected in their field.

The biggest reason for their optimism is an unexpectedly large falloff in projections for oil demand. In part, this is due to a recession anticipated by econo-

mists for the early 1980's. But more significantly, it stems also from a combination of factors that do not entail economic hardship.

One is conservation. The experts say that the big consuming nations are learning, much faster than had been expected, to use energy more efficiently. Another is that economic growth throughout the world, especially the industrial world, has begun to slow as growth in population tapers. That means less energy will be needed to support a given level of affluence.

### Oil Supplies Expanding

At the same time, observers of world oil trade have been encouraged by how quickly new oil discoveries have been coming on stream.

In short, contrary to what Americans have come to believe, supplies of oil have been expanding while growth in demand has been slackening. Thus the experts now say the shortfall that many had predicted no longer appears to be probable for the foreseeable future.

Despite this turnaround in opinion, the Administration continues to predict a shortage for the next decade.

"The date of the potential impasse varies with regard to certain assumptions, but somewhere out there for everybody, starting in 1980 and running to 1990, there is going to be a crunch," Energy Secretary James R. Schlesinger said in a

**Continued on Page D12, Column 1**

Approved for Release 2004/08/15 : CIA-RDP81M00980R000600170043-1

325 to 500, the most famous names

of the best sellers in Alaska  
to provide sizeable revenue for the  
sovereign wealth fund. He took several  
years to build it up, while the  
largest market share for which Met-

PAGE \_\_\_\_\_

Continued From Page A1

Recent interview requested to discuss the opposing view. Mr. Schlesinger insisted that this crunch would lead to a doubling of the real price of oil by 1985—on top of any increases to keep pace with inflation.

#### Other Arguments Cited

He also emphasized that the nation needs an energy plan to deal with the problems of high energy prices, to reduce its lopsided balance of payments and to insure a reasonable degree of diplomatic and military independence.

The experts who challenge his supply-demand projections do not necessarily disagree with these other arguments for an energy plan. But they now balk at any suggestion that United States energy policy be based on the premise that a world shortage of oil is coming.

"The crunch that Schlesinger talks about so eloquently is like the horizon—it recedes as you approach it," said Morris A. Adelman, professor of economics at the Massachusetts Institute of Technology, and an authority on the world oil market.

Critics such as Dr. Adelman are specifically addressing world supplies of crude oil, not domestic supplies of oil products such as gasoline and heating fuel. Although the availability and cost of oil products in the United States generally run up and down with the supply of crude oil on the world market, there can be exceptions. A bitter winter, for instance, can sometimes play havoc with the nation's fuel distribution systems.

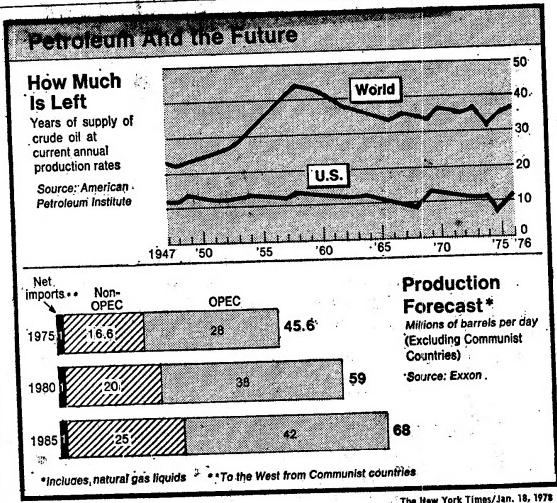
#### A Less Gloomy Future Is Seen

Moreover, the experts caution that any projections of the world oil situation more than five years out are tenuous at best and can quickly change with the unexpected. But as things now stand, they say, the future looks far less gloomy than it did just a few years ago.

The experts' new optimism traces back to the quintupling of oil prices by the Organization of Petroleum Exporting Countries four years ago. Most analysts of world oil trade now see these high prices as a mixed blessing that has both created the current energy problems and prompted some solutions.

The high price of oil, they say, is what has spurred the worldwide scramble for new supplies and encouraged more and more conservation.

Of the two, conservation has been the surprising. Consumption of oil dropped sharply during the Arab oil embargo and the recession that followed, and although it is once again on the rise, the runaway growth in demand that marked the days



just before the embargo now seems a thing of the past.

In 1974, oil consumption in the non-Communist countries dipped 1.4 million barrels a day to 45.9 million. Consumption dropped further in 1975, to around 44.1 million. Data are still incomplete for the last two years, but sources agree that consumption turned up again in 1976 and probably surpassed the 1973 record last year.

#### Projections Continued to Slip

However, everyone—including the Administration—expects growth to proceed more modestly from now on. The only point of contention here is exactly how modestly.

When the large price increases were first instituted by OPEC, all forecasters naturally lowered their projections of demand sharply. Interestingly, these estimates have continued to slip despite the fact that oil prices, adjusted for inflation, have not risen since.

Even the oil companies, which many have accused of encouraging fears of a shortage to increase prices, have lowered their projections markedly. Over the last two years, the Shell Oil Company has trimmed its forecast for world oil demand in 1985 by 1.5 million barrels

a day, to 63.5 million—even though the company now thinks nuclear power will expand much more slowly than it had earlier assumed.

This lower demand growth for oil, coupled with the happier outlook for new supplies, adds up to less need for OPEC oil in the 1980's than most experts were predicting just a few years ago. And that means less chance of a shortage.

Since 1974 the Exxon Corporation has steadily reduced its forecast for the amount of crude oil needed from OPEC in 1985 to 39 million barrels a day. Last year OPEC produced 30 million barrels a day.

"We have been ratcheting our energy demand forecast down as evidence has come in that conservation and more efficient use of energy are likely to proceed faster than we thought," Norton Belknap, Exxon's vice president in charge of planning, said in a recent speech in West Germany. "And I'm not sure we've captured all the possible conservation."

#### Even More Optimism

Independent experts tend to be even more optimistic about the world oil outlook than forecasters within the companies. The most hopeful is Dr. Safer of Irving Trust, who suggests OPEC produc-

tion in 1985 will be between 25.5 million and 35.5 million barrels a day. Others, such as John Lichthau, executive director of the Petroleum Industry Research Foundation, set their minimums at the high end of that range—which is still well below the point at which a shortage becomes a possibility.

"The thesis that there will be a drastic shortfall in the early 1980's is wrong," said John Mugno, an oil economist with Citibank who agrees with Mr. Lichthau.

Today there is anything but a shortage as the rush of new oil from Alaska, the North Sea and Mexico reaches world markets. Although experts expect the present glut to end soon, they believe that a comfortable margin of production capacity will remain for the foreseeable future. One reason is that production from non-OPEC sources is expected to grow from about 20 million barrels a day last year to more than 25 million barrels a day in 1985, according to most private estimates.

This, according to analysts, was the biggest factor inhibiting OPEC in Caracas last month, when the cartel decided not to raise prices. Now, the experts say, excess production capacity around the world will tend to limit any price increases to about the rate of inflation.

"Prices might start running 1 or 2 percent ahead of inflation between 1982 and 1985," Mr. Lichthau said. "They might not even go up that much."

Even after that supplies could remain adequate because the world continues to discover more petroleum than it consumes. The Oil & Gas Journal, a trade magazine, reported that world oil reserves increased 1 percent last year to 646 billion barrels—a 30-year supply at present consumption rates. And the magazine said gas reserves jumped 8.3 percent to 193 trillion cubic feet—a 50-year supply.

At the same time, the industrial world is intensively trying to convert to alternative fuels.

#### Smaller Economic Growth

Perhaps the most telling determinant in the supply-demand equation is the more modest economic growth predicted for the industrial countries. This "structural" change in the world economy promises to hold down demand for energy and in turn demand for oil.

According to Otto Eckstein, president of Data Resources Inc. and former chairman of the Council of Economic Advisers, the industrial countries will show an economic growth of about 4 percent annually between 1983 and 1990—a percentage point less than they did between 1963 and 1973.

Economists concede that this partly reflects the continuing economic drag of higher oil prices.

"I don't consider slow economic growth anything to be optimistic about," said Walter Levy, an international oil consultant. Mr. Levy emphasized that the same higher oil prices that caused the economic problems are now being cited as a panacea for energy problems.

But many of his colleagues stress positive factors. They point to the slowing of population growth, now at the rate of about eight-tenths of 1 percent a year in the industrial world, as well as to a general tendency for growth in maturing economies to taper off.

"How many more cars do you need with population growth leveling off?" Mr. Lichthau asked.

#### Administration Pessimism Deeper

All of the energy experts who suggest ample oil supplies acknowledge that an oil shortage could always be created by Arab members of OPEC for political reasons. And some wonder whether the richer oil exporting nations, awash in money, will want to raise production at all.

But the Administration, they point out, goes much further in its pessimism, suggesting that demand will simply outrun supplies, or at least the supplies that would be available with Saudi Arabia limiting its production to 16 million barrels a day. At present Saudi Arabia produces 8.5 million barrels a day, has a capacity of around 11 million, and is planning to increase capacity to at least 14 by the early 1980's.

"If you look to future oil demand, you see a serious deficiency at any prices we have historically known," Mr. Schlesinger insisted.

Mr. Schlesinger's analysis is largely on Central Intelligence Agency projections that by 1985 the world will need between 46.7 million and 51.2 million barrels of OPEC oil daily. Of that, the C.I.A. said, 19 million to 23 million would have to come from Saudi Arabia, which has the greatest ability to produce extra oil.

A major reason for the C.I.A.'s pessimism is its expectation that the Communist countries will switch from exporting about one million barrels a day today to importing 3.5 million to 4.5 million barrels a day in the 1980's. Virtually all other forecasts dismiss this argument, anticipating no real change in the Communist countries' position.